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SHOPPING ONLINE THROUGH MOBILE APPLICATIONS

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ABSTRACT

Due to globalization shopping online has grown to its peak, many businesses small and big are conducting businesses online through their websites. This allows them to get access to a wider market and leading to more exposure. Selling online is using smartphone Apps to improve businesses and get more exposure. It has been noted Saudi Arabia does have the technological advancement to allow its people to shop online through apps. This study is conducted specifically for the people in the kingdom of Saudi Arabia. The research aims to look at the potential availability of the market in the Kingdom for shopping online through websites and apps. It was also look into reasons of why some consumers might be reluctant in using apps. The study conducted has relied on two main sources, namely secondary sources and questionnaire. The secondary sources helped get a better insight on shopping through online apps. The questionnaire helped to get a better understanding of the market that exists in Jeddah, how popular shopping through apps really is and what the barriers of shopping online through apps exist. It also looks into what can be done to improve this new concept. The obtained results conclude that shopping online through apps isn't as popular in Jeddah as it is else where the main reason being lack of required infrastructure that exists to have mails and orders be delivered at the door step of the consumer.

INTRODUCTION

Technology is at its boom, with the advancement and popularity that can be noticed, it wouldn't be a surprise to see the increase use of it. Technology has affected every walk of human life. Kids now days are more tech savvy than those from 10 years from now [1, 2]. Technology has also affected the way we are taught in school as well as the way businesses are run, it has also effected the way we shop, many of the day to day activity conducted now is hard to manage without technology. The internet which has helped globalization reach to its peak; it is still advancing in ways that can leave its users in awe [3, 4].

A survey conducted across 6 markets in the Middle East which consisted of 3000 participants showed there was an increase in shopping online. A study conducted by Master cards resulted in an increase in the use of shopping online in the United Arab Emirates [5]. About 50% of the participant's shop online 80% of those indicated they were satisfied with shopping online [5]. The factors that have led to such an increase include prices of the products/services sold online and minimum to free delivery charges on the items [5].

The head of Emerging payments of Master Cards (Middle East and Africa), Aaron Oliver commented "Well-developed internet infrastructure and the availability of secure online payment options means companies can expand their online presence to grow their business and diversify their customer base. For consumers, online shopping is convenient, fast and safe [6]. When you consider the benefits, it is not surprising that more people are going online to make purchases [7]. The steady growth of online shopping trends in the UAE sheds light on the priorities of the technology-savvy new age consumer, who now enjoys the convenience, speed, value for money and safety of their transactions while shopping online." [5].

Another field of interest is shopping through smartphone apps, UAE being well known for most smartphone penetration rates, consumers are looking into the apps stores to find options available for shopping online through their phones. The most commonly purchased products through the smartphone apps include air tickets, mobile apps and coupon deals. Magazines and newspaper subscription are a growing interest to the public [5]. Aaron Oliver commented "Mobile shopping in the UAE is progressing alongside the astounding growth in smartphone penetration. This progression is likely to continue as consumers become more aware of the safety and security features and begin getting more familiar with the mobile shopping experience. It is also becoming increasingly important for companies to provide convenient online shopping solutions that enhance the user experience." [5].

According to Wendy Liebmann, CEO of a market research firm WSL. Strategic Retail in New York City said she wasn't surprised retailers use apps to help them compete in the market. She also quoted that retailers were ahead of the consumers and are using technology in a more determined and goal oriented way. The use of these technologies will continue to grow as mobile service providers offer more reasonably priced data plans [8]. Many brick and mortar stores are shifting to using apps that reward the shoppers with extra discounts when shopping there stores. Jim O'Donnell, the CEO of American Eagle Outfitters Inc. commended the AE app in driving consumers to the stores through reward systems that were being offered through it, as well as ordering online [9].

Online shopping is a growing concept that has taken over like a wild fire. Websites are the preferred choice of shopping online [10]. In a study that was carried out in India by Nielsen Informat Mobile insights in 2012; results of which suggest that online shopping is preferred over shopping apps by 25% of smartphone users in India [10]. The study also suggests that smartphone apps

are more useful for accessing contents but online shopping is more preferred through the websites. The study reveals smartphone users at the age range of 25-35 go for m-commerce from which very few have made purchases using apps [10].

Another research that consisted of 1,500 participants carried out in the USA by NPD Group found that nearly 75% of smartphone owners use their phone for overall shopping experience. 71% use their phone to access websites but only 57% use the apps by those retailers [10]. The report also suggests that after downloading the retailer's app 75% of the consumers abandon the app, which suggests the consumers use the websites rather than the app [11]. The report also mentions about 73% of consumer's main concern being speed and efficiency to experiencing the best online experience. 56% participants responding they would return in shopping online if the brand saved time [11]. Therefore, this study determines the potential availability of the market in the Kingdom for shopping online through websites and apps.

METHODOLOGY

Research methodology covered the methods and ways through which a research process will be conducted and measured. Qualitative and Quantitative methods are applied to many research fields. This study carried out by taking using both qualitative and the quantitative method.

Qualitative

Qualitative refers a way of conducting a research which concerned with complete and detailed descriptions of events. It generally analyses the world through the lenses the researcher brings to bear on the data. The qualitative data in this study is collected through secondary data.

Quantitative

Quantitative research methods include surveys, laboratory experiments, formal methods such as econometrics, and numerical methods such as mathematical modeling. In this study, the data collection is done by using the questionnaire survey. The medium used to ask questions was surveymonkey.com.

In order to gather information from the general public, a survey was designed online and distributed via emails, and social media. The questionnaire designed was in such a way that it first inquired about shopping online through websites, transitioning to shopping online through app stores and also the demographics of the respondents.

Sample Size and Population

The sample size that used to collect for this study is about 155 respondents from Jeddah. One of the main limitations that were faced was not enough male respondents which make the research work more suitable for the females approach to shopping online.

RESULT AND DISCUSSION

Table 1 tabulated the demographic profile of the respondents and majority of them are female by 94.19%. Secondly, most of the respondents are in the age range of 16-25 and 26-35 about 78.06% and 10.97% respectively. This age range does cover an important demographic range since almost 50% of the Kingdoms population comprises of the youth. Regarding the respondent's occupation, most of the respondents are either students or housewives by 70.97% and 16.77% respectively. Table 1 also demonstrated that about 29.03% of the respondents don't really have a source of income.

Table 1: Demographic profile of the respondents

Criteria	Category	Number (n)	Percentage (%)
Gender	Male	9	5.81
	Female	146	94.19
Age group	16-25	121	78.06
	26-35	17	10.97
	36-45	9	5.81
	46-55	5	3.23
	56-65	3	1.94
Current employment status	Student	110	70.97
	Homemaker/Housewife	26	16.77
	Employed with a company	12	7.74
	Self-employed	5	3.23
	Unemployed	2	1.29
Monthly average income	Less than SAR 3000	45	29.03
	3001-15000	22	14.19
	15000-50000	5	3.23
	50001 and above	1	0.65
	Prefer not to answer	22	14.19
	Not applicable	60	38.71

The purpose of this questionnaire is to figure out the market opportunity for online shopping through mobile apps and the ways it can be improved in Saudi Arabia. Any information gathered here will be solely used for this research work. The survey was arranged in such a way that inquired about the respondents buying habits over websites transitioning to their buying habits over smartphone apps. Figure 1 and Figure 2 show that respondents that have placed an order over the website include 56% of respondents, as compared to those that have placed orders through apps, which is only 18%. Meaning most of the respondents were not confident with the idea of using smartphone apps.

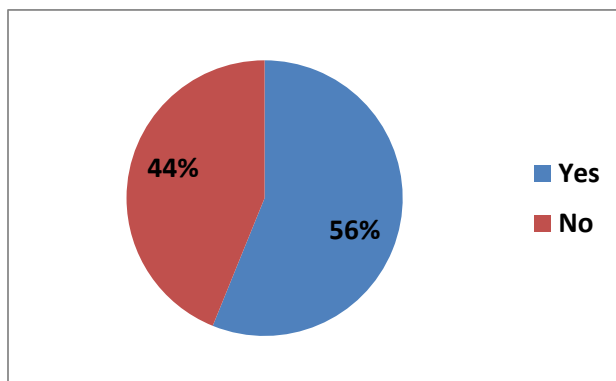


Figure 1: Purchase or place orders for product over internet

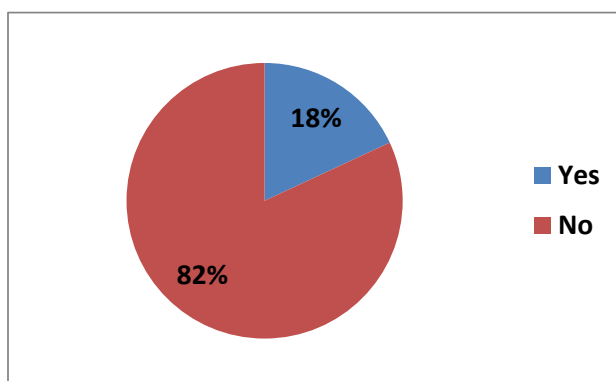


Figure 2: Purchase or place orders for product over mobile apps

Figure 3 is in response to those that have not used the webpage to shop through, 68% responded with they would be willing through the internet which shows there are many potential consumer, and 32% responded with they weren't considering using the internet to buy products. When looking further into detail, Figure 4 points out reasons of why shopping online may not be a suitable of option for those residing in Jeddah, as the graph points out security concerns is a big issue, followed by no convenient delivery method, followed by inconvenient payment methods.

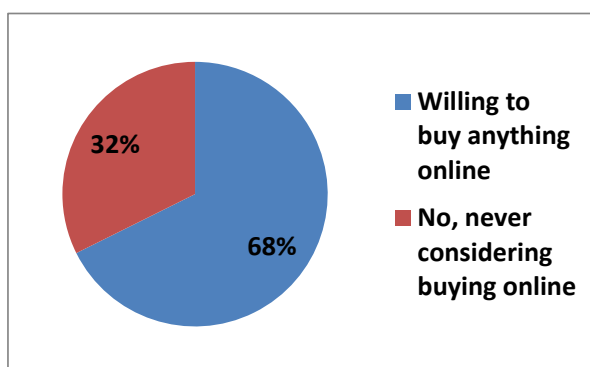


Figure 3: The consideration of using shopping online

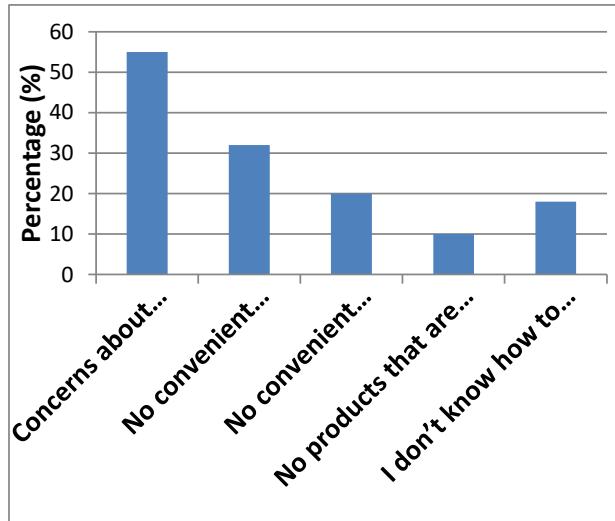


Figure 4: Reasons of not using online shopping

For those that have used websites and apps to shop online through the results aren't surprising. Figure 5 represents purchases done through websites and also mobile apps that are used to shop online through. The results in both shows the use of international websites and apps are a lot more than local websites and apps. The reason for this is simply either not being aware of local ones or not having a lot of options in the local websites and apps.

Table 2 and Table 3 tabulate the local websites and apps that are used by the respondents. As the results from Figure 5, portray international apps and websites are a lot more common than the local ones. A noticeable fact that most of the participants named a few local apps which really are not local they created in the Middle East. For example Cobone is an app that actually origins from Dubai.

P.O. Box helps in knowing the exact location making it easier for orders to reach to its destination. Figure 6 shows that about 59% are aware of their postal address while 41% aren't. In order to reduce concerns on security the government will have to work on improving the P.O. Box system. This will ensure parcels are dropped off at the door steps of the consumers.

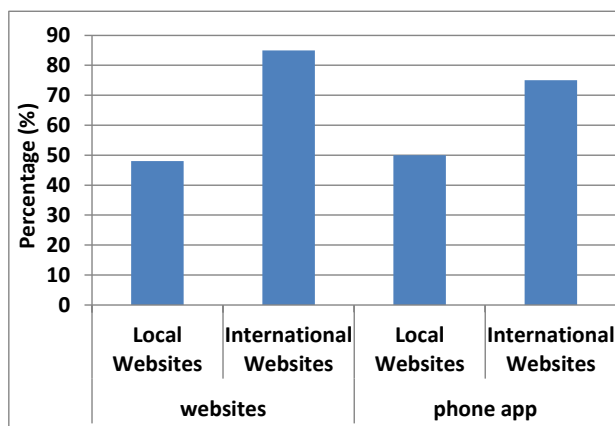


Figure 5: Percentage of servers accessed through websites and mobile apps.

Table 2: Websites that access through webpage

Local Websites	International Websites
Souq.com	Ioffer
Sheel.com	Expedia
Sukar.com	Amazon
Dokkanafkar.com	Asos
Cobone	Victoria secrets
Expats.com	VIP MARKET
Saudi airlines	New York dress
	eBay
	Nordstrom.com
	Net-a-porter.com
	Apple.com
	Abercrombie
	Debenhams
	Marks and Spenser’s

Table 3: Websites that access through mobile apps

Local Websites	International Websites
Mark VIP	Amazon
Suacom	VIP Market
Sudoku	Ibooks
	Ebay
	Mac
	Print Studio

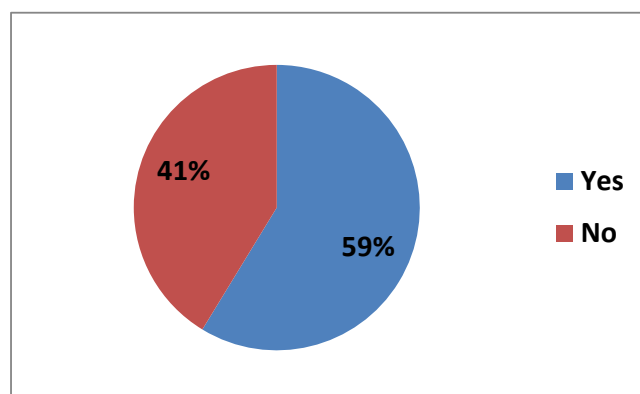


Figure 6: The awareness of P.O.BOX number

Figure 7 shows us what products the respondents are most likely to purchase when shopping through apps. It is noticeable the respondents are willing to spend on many items when purchasing through apps. Respondents are most likely to purchase clothes footwear and related accessories (22%), to flight booking (18%), smartphone devices and related accessories (13%), as well as books and magazines (12%). A few other items consist of wedding and baby favours, medicines, pet needs and so on.

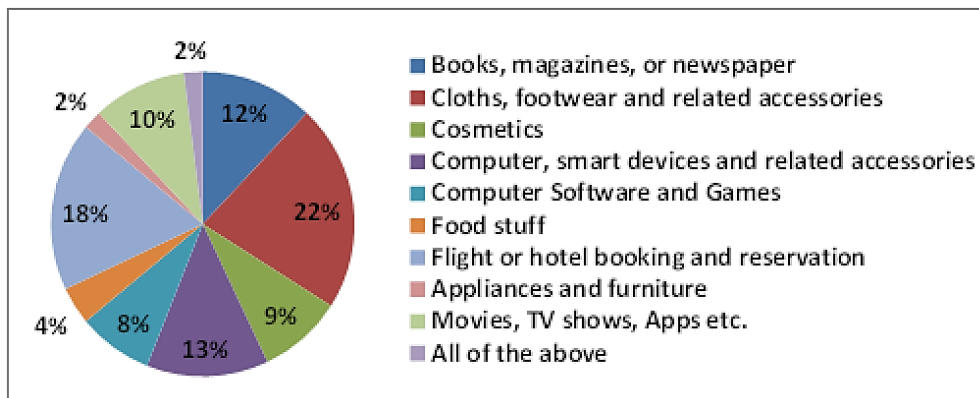


Figure 7: The online purchases products

Based on Figure 8, the respondents would be willing to spend on their purchases through apps. 1-200 SAR happens to be the most common range by 37% followed by 201-400 SAR by 19%.

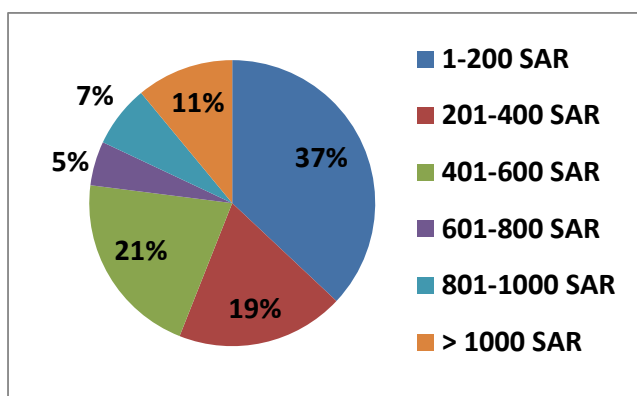


Figure 8: The average spending when shopping online

RECOMMENDATION

From all the results gathered from the questionnaire, consumers are willing to take the risk of ordering products online. On the other hand, shopping through apps is a rather new concept, as the result shows that about 18% of the participants replied positively.

There is some effort needs to be done on the infrastructure of online shopping through websites and apps. That is improving the security system, making it safe for the consumers to purchase products. Having more rules and regulations laid out protecting the rights of the consumers and the businesses. Having convenient delivery system, that is improving how the package can reach the door steps of the consumer no matter where the initial location of the parcel is from. This will help consumers and businesses develop trust with each other, it will assure the fact the material will reach the consumers.

Having local businesses participate in selling their product online will in the long term improve the economy of the country. It will give them access to a larger market it will give the businesses a bigger market to sell their products of to. The consumers too will benefit from this as it will give them more options, a better perspective of the product in terms of quality and price.

With the help of the government in order to improve the infrastructure, with proper training given to local businesses in how to sell online through websites and apps; with proper knowledge given to the consumers in what to look for how to shop online as well as ways of payment. All of these forces combine can make online shopping through websites and apps a common way to conduct businesses and a suitable option for consumers to shop with.

CONCLUSION

Based on the obtained result, this study conducted that many of the participants were not aware of many legit apps that are made for the sole purpose of shopping online through E-bay and amazon may have their own apps which people can use when on the move, what most don't know is there are many international companies that allow consumers to access their stores through apps. Very few local names are available that have their own apps. With consumers living a busy life, multi-tasking is a concept most customers prefer. Being granted access to conduct businesses online can ease business activity to be performed. It can help increase sales and give access to a bigger market. With proper training, better understanding of why apps can help improve local businesses, better IT skills and being able to understand Arabic and English when making the app can help the business grow and on a larger scale improve the GDP of the country

In conclusion, proper work done on the infrastructure of online shopping through websites and apps can help improve the overall way businesses are conducted in the Kingdom. Also, mobile apps is made a lot easier and can prove to be beneficial for consumers of any demographic, finding discounts, finding collector's items, finding new boutiques etc. It can be beneficial to businesses of any size selling any sort of product and items they might produce.

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